

State of Alaska FY2006 Governor's Operating Budget

University of Alaska

University of Alaska

Mission

The mission of the University of Alaska is to respond to the educational needs of all Alaskans and to enhance Alaska's economy by fostering and promoting

- (1) a high quality postsecondary educational system;
- (2) appropriate vocational education development and training;
- (3) advancement and extension of knowledge, learning, and culture; and
- (4) the application of new knowledge and emerging technologies to meet the needs of the state.

The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples.

(Board of Regents' Policy 10.01.01)

Core Services

The core services of the University of Alaska System are:

- Provide a high quality postsecondary educational system;
- Supply appropriate vocational education development and training;
- Foster the advancement and extension of knowledge, learning, and culture; and
- Serve as the states' primary research facility with focus on the application of new knowledge and emerging technologies to meet the needs of the state.

End Results	Strategies to Achieve Results
A: Increasing the number of graduates in Alaska high demand degree programs <u>Target #1:</u> A target of 2158 graduates in degree and certificate programs in FY06. <u>Measure #1:</u> The number of graduates in Alaska high demand job degree and certificate programs.	A1: Increasing the number of graduates in Alaska high demand degree programs. <u>Target #1:</u> The UA target of 2,158 is the sum of targets for each MAU; UAF - 658, UAA-1,309, UAS-191. <u>Measure #1:</u> The alignment of program offerings with state workforce priorities and maximization of enrollment in selected programs.
End Results	Strategies to Achieve Results
B: Increase the amount of revenue the University of Alaska receives from external sources such as federal, tuition and fees and university receipts. <u>Target #1:</u> A target of \$346,500,000 in university and federal receipts in FY06. <u>Measure #1:</u> The amount of revenue the University of Alaska receives from external sources such as federal, tuition and fees, and university receipts.	B1: Increase the amount of revenue the University of Alaska receives from external sources such as federal, tuition and fees, and university receipts. <u>Target #1:</u> The UA target is \$346,500,000 which is the sum of each MAU's target; UAA - \$110,400,000, UAF - \$201,700,000, UAS - \$18,800,000, SW - \$15,400,000 <u>Measure #1:</u> Increase the amount of revenue the University of Alaska receives from university receipts through coordinated development efforts.
End Results	Strategies to Achieve Results
C: Increase the amount of grant funded research	C1: Increase the amount of grant funded research

expenditures. <u>Target #1:</u> A target of \$133,400,000 in grant funded expenditures in FY06. <u>Measure #1:</u> The amount of grant funded research expenditures.	expenditures. <u>Target #1:</u> The UA target of 133,400,00 is the sum of each MAU's targets: UAA - 11,800,000, UAF - 119,800,000, UAS - 1,400,000 <u>Measure #1:</u> Increased research grants and program expansion.
End Results	Strategies to Achieve Results
D: Improve the retention rate for first-time full-time cohorts in undergraduate and certificate programs for FY06. <u>Target #1:</u> A target of a 67% retention rate for first-time full-time cohorts in undergraduate and certificate programs in FY06. <u>Measure #1:</u> Retention Rates for first-time full-time cohorts in undergraduate degree and certificate programs.	D1: Improve the retention rate for first-time full-time cohorts in undergraduate and certificate programs <u>Target #1:</u> The UA target of 67% is detailed for each MAU as; UAA - 66%, UAF - 66.2%, UAS - 65% <u>Measure #1:</u> Increase the retention rates for first-time, full-time cohorts in undergraduate and certificate programs in FY06.
End Results	Strategies to Achieve Results
E: Increase the number of student credit hours (SCH) attempted <u>Target #1:</u> A target of a 582,800 SCH attempted in FY06 <u>Measure #1:</u> The number of Student Credit Hours (SCH) attempted	E1: Increase the number of student credit hours (SCH) attempted <u>Target #1:</u> The UA target of 582,800 is the sum of each MAU's targets; UAA - 345,000, UAF - 181,500, UAS - 56,000 <u>Measure #1:</u> Student Credit Hours (SCH) attempted increased.

Major Activities to Advance Strategies

- Expand and create new partnerships to advance workforce development programs
- Maximize leverage of state appropriations to seek competitive federal research grants
- Expand development efforts targeting alumni, corporate partners, faculty and staff
- Increase student satisfaction through strategic advising, counseling and placement
- Continue alignment of course, certificate and degree offerings with student and state demand

FY2006 Resources Allocated to Achieve Results

FY2006 Department Budget: \$678,464,600

Personnel:

Full time	3,869
Part time	176
Total	4,045

Performance Measure Detail

A: Result - Increasing the number of graduates in Alaska high demand degree programs

Target #1: A target of 2158 graduates in degree and certificate programs in FY06.

Measure #1: The number of graduates in Alaska high demand job degree and certificate programs.

Number of Graduates per Fiscal Year

Year	# of Grads	YTD
2000	1817	1817
2001	1695	1695
2002	1856	1856
2003	1833	1833
2004	1981	1981
2005	2067	2067
2006	2158	2158

Analysis of results and challenges: NOTE FOR TABLE: In fall 2004 the listing of Alaska high job demand degree programs was revised adding several programs to the list, therefore the FY05 target and FY09 goal have been revised upward recognizing the increased number of programs defined as high job demand programs.

Providing education and training for students to pursue careers in the State's high demand fields is one of UA's essential roles. Of the 706 occupations included in the 2000-2010 Occupational Forecast from the State of Alaska Department of Labor, 51 occupations were identified as high demand (i.e., classified as best bet occupations in Alaska, growing in the number of jobs available and having higher than average wages). Although dominated by the health-related occupations, the list of high demand job areas includes occupations as diverse as Computer System Analyst and Educators. In FY2004 UA awarded 1,981 degrees and certificates qualifying recipients to work in these high-demand job areas.

This outcome provides a quantitative measure reporting the number of completers as well as assessing the number of students enrolled in each high demand program. Program quality is paramount and is part of an additional performance measure for academic programs currently in development for possible implementation in FY06. Several other potential performance measures supporting Alaska's high demand jobs are being explored: the number of individual courses offered that support high demand jobs without providing a degree, including professional development, retraining, re-certification, and continuing education, as well as the number of students enrolled in each of the courses; quantifying the considerable number of general education credit hours required for graduation in each of the high demand job areas to assure that sufficient general education courses are also in the plan.

A1: Strategy - Increasing the number of graduates in Alaska high demand degree programs.

Target #1: The UA target of 2,158 is the sum of targets for each MAU; UAF - 658, UAA-1,309, UAS-191.

Measure #1: The alignment of program offerings with state workforce priorities and maximization of enrollment in selected programs.

Analysis of results and challenges: • New funding of \$1M will be used to expand programs in Behavioral Health (social work, psychology, human services, geriatrics, and disability services) in conjunction with the Mental Health Trust Authority and the State Division of Behavioral Health

- Additional internal investment of university resources in programs with exceptionally high student demand, such as Allied Health, primarily accommodated through tuition revenue
- Further extend delivery of behavioral and allied health program offerings to rural communities
- Continued application of workforce development funds
- Alignment of program offerings with demographic trends and priorities recognized through the state workforce development board
- Continued investment of Voc-Tech funding
- Partnership with state hospitals, clinics and other healthcare providers to provide allied health programs
- Maximize enrollment and retention in selected programs with coordinated enrollment management activities
- Distance delivery and instructional programs expansion in areas of state need and employment opportunity
- Continue individual MAU success: During the period of FY01-FY04, UAA increased the number of graduates in high demand degree programs by 23%, UAF by approximately 2% and UAS by 39%.

B: Result - Increase the amount of revenue the University of Alaska receives from external sources such as federal, tuition and fees and university receipts.

Target #1: A target of \$346,500,000 in university and federal receipts in FY06.

Measure #1: The amount of revenue the University of Alaska receives from external sources such as federal, tuition and fees, and university receipts.

Total University Generated Revenue by Fiscal Year

Year				Receipts	YTD
2002	0	0	0	261,062,100	261,062,100
2003	0	0	0	281,185,600	281,185,600
2004	0	0	0	304,568,700	304,568,700
2005	0	0	0	325,200,000	325,200,000
2006	0	0	0	346,500,000	346,500,000

Analysis of results and challenges: The University, through its urban and rural campuses, is the state of Alaska's primary source of higher education and workforce development and, as such, remains a high priority for state funding appropriations. The university, through its entrepreneurial practices, has the ability to leverage the State's investment to generate additional revenue through student tuition, research grants, and other service opportunities. The continued success and expansion of this leverage ability is crucial to university growth. However, student, business partner and federal agency confidence in UA is inextricably linked to the State's continued investment in UA. The University of Alaska will constantly look for new opportunities to ensure maximum leveraging of state appropriations. UA's goal is to continue to grow these funding sources, assuming the confidence base of state general funds also grows at a moderate rate.

An additional performance measure supporting the generation of university revenue under exploration is Staff Efficiency through Process Automation, to quantify general fund and university revenue savings from greater administrative efficiency.

University generated revenue is defined as revenue from the following sources: Dorm, Food & Auxiliary Services, Federal Receipts, Indirect Cost Recovery, Inter-Agency Receipts, Interest Income, Student Tuition, Fees and Services (excluding waived tuition) and U of A Receipts.

B1: Strategy - Increase the amount of revenue the University of Alaska receives from external sources such as federal, tuition and fees, and university receipts.

Target #1: The UA target is \$346,500,000 which is the sum of each MAU's target; UAA - \$110,400,000, UAF - \$201,700,000, UAS - \$18,800,000, SW - \$15,400,000

Measure #1: Increase the amount of revenue the University of Alaska receives from university receipts through coordinated development efforts.

Analysis of results and challenges:

- Seek additional funding for maximization of leveraging capabilities
- Strengthen UA's alignment with state agency research, service and training requirements to maximize UA's role in servicing Alaska's state agencies, thus keeping state funding in state rather than supporting the research and service components of out of state investments.
- Carefully grow tuition rates to ensure adequate funding from tuition while ensuring that sufficient student aid opportunities exist to maintain access to higher education.
- Increase enrollment and success of students paying tuition via enrollment management.
- Assure the appropriate amount of indirect cost recovery is collected for UA services.
- Monitor and maintain efficient administrative practices.
- Strengthen partnerships
- Build strong alumni support
- Strengthen and coordinate development opportunities.
- Continue individual MAU success: From FY03-FY04, UAA increased university generated revenue by 9%, UAF by 5% and UAS by 6%.

C: Result - Increase the amount of grant funded research expenditures.

Target #1: A target of \$133,400,000 in grant funded expenditures in FY06.

Measure #1: The amount of grant funded research expenditures.

Amount of Grant Funded Research Expenditures by Fiscal Year

Year		Expenditures	YTD
2001	0	85,732,000	85,732,000
2002	0	96,178,000	96,178,000
2003	0	110,700,000	110,700,000
2004	0	115,500,000	115,500,000
2005	0	124,000,000	124,000,000
2006	0	133,400,000	133,400,000

Analysis of results and challenges: Research at the University of Alaska is a critical component in the delivery of programs and services that are of value now and to the future of Alaska. UA success in achieving its goals and objectives is depended upon consistent external and internal research funding. In addressing these funding realities, UA will aggressively seek new opportunities with Federal, state and private agencies to ensure continuing capability of research programs and services that enhance the social and economic well being of Alaska and its people.

Increase in research funding will positively impact educational and training capabilities; recruitment and selection of qualified faculty and staff; and international recognition of the UA as a leading university of the North.

New Awards are grants that started in a given fiscal year. Although new awards reflect a financial commitment made by Federal, state or other agency, expenditures represent actual amount of money received from these agencies. Therefore, new awards and expenditures are inter-related components of a funding process.

C1: Strategy - Increase the amount of grant funded research expenditures.

Target #1: The UA target of 133,400,00 is the sum of each MAU's targets: UAA - 11,800,000, UAF - 119,800,000, UAS - 1,400,000

Measure #1: Increased research grants and program expansion.

Analysis of results and challenges: • Continued implementation of Alaska's state research and development plan (SJR44)

- Expansion of National Science Foundation's (NSF) Experimental Program to Stimulate Competitive Research (EPSCoR) programming focusing on priority disciplines
- Expansion of National Institute of Health (NIH) funding through Biomedical Research Infrastructure Network (BRIN) and Center of Biomedical Research Excellence (COBRE) through expanded health, neuroscience and bio-informatics
- Continue to focus research expansion in areas of significant importance to Alaska. The number of new grant awards in research areas of significant importance to Alaska increased 4% over last year and the dollar amount funded increased by more than 53%.
- Currently, externally funded research activity fuels over 2,300 jobs in Alaska.
- In FY04, every state dollar invested in research generated \$7.2.
- From FY01-FY04, UAA increased university generated revenue by 54%, UAF by 31% and UAS by 233%.

D: Result - Improve the retention rate for first-time full-time cohorts in undergraduate and certificate programs for FY06.

Target #1: A target of a 67% retention rate for first-time full-time cohorts in undergraduate and certificate programs in FY06.

Measure #1: Retention Rates for first-time full-time cohorts in undergraduate degree and certificate programs.

Retention Rates for Cohorts by Fiscal Year

Year				Retention Rt	YTD
2001	0	0	0	60.5%	60.5%
2002	0	0	0	62.6%	62.6%
2003	0	0	0	64.6%	64.6%
2004	0	0	0	65.6%	65.6%
2005	0	0	0	66.2%	66.2%
2006	0	0	0	67.0%	67.0%

Analysis of results and challenges: The University participates in the Consortium for Student Retention Data Exchange (CSRDE), a national survey which tracks the retention of first-time full-time baccalaureate degree-seeking freshmen from fall to fall. In the most recent CSRDE survey (May 2004) 123 institutions described as less selective (indicating open admissions and high part-time enrollment) had an average retention rate for the 1996 - 2002 cohorts from the first year to second of 69.5%. Other studies have shown lower retention rates, but for a less well-defined group of students. For example, in the August 2001 Postsecondary Opportunity, the average persistence rate to the second year for freshmen who began in fall 1999 was 60.6% for 152 four-year institutions with an open admissions policy. A National Center for Education Statistics report (August 2001) found that the strongest predictor of degree attainment, and thus retention, was the academic preparation from high school. Nationally, the retention rate to the second year has been generally decreasing.

Additional performance measures supporting the retention rate for first-time full time undergraduate and certificate cohorts include: Academic Program Outcomes measuring program effectiveness; Academic Program Units with a Formal Enrollment Management plan; Student Satisfaction and Organizational Effectiveness of Advising and Career Development.

Retention rate is defined as the percentage of students in a given term that return to the institution in a subsequent term. Stop out students, students that leave for a semester or more and return, are considered in this rate calculation.

D1: Strategy - Improve the retention rate for first-time full-time cohorts in undergraduate and certificate programs

Target #1: The UA target of 67% is detailed for each MAU as; UAA - 66%, UAF - 66.2%, UAS - 65%

Measure #1: Increase the retention rates for first-time, full-time cohorts in undergraduate and certificate programs in FY06.

Analysis of results and challenges: • Strengthen coordinated enrollment management efforts

- Increase advising, counseling and teaching/planning effectiveness.
- Monitor student satisfaction and perception
- Distance Delivery and Instructional Programs Expansion - Phase 1 of 3 (\$1.0M) funding expansion in an array of specific programs with investments evaluated in terms of impact on student access, student enrollment and retention, state need, employment opportunity, and campus areas of distinction.
- Ensure funding for continuation of the highly successful UA Scholars program. UA Scholars retention is at an all time high, with more than 78% retained from fall 2003.
- Continue individual MAU and system success: Since fall 1998, UAA has increased retention of first-time, full-time freshman by 29%, UAF by 8%, UAS by 14% and the UA system by 18%.

E: Result - Increase the number of student credit hours (SCH) attempted

Target #1: A target of a 582,800 SCH attempted in FY06

Measure #1: The number of Student Credit Hours (SCH) attempted

Number of Student Credit Hours (SCH) by Fiscal Year

Year	# of SCH	YTD
2001	478,276	478,276
2002	497,425	497,425
2003	533,416	533,416
2004	559,200	559,200
2005	567,400	567,400

Analysis of results and challenges: The University, as the provider of community college and university higher education mission for the state, serves both traditional and non-traditional aged students. In cooperation with Statewide Academic Council (SAC), special considerations should be given to the community college mission and course offerings. Student credit hour increases are just one indicator that the University of Alaska is providing critical workforce training and educational opportunities that meet the needs of the citizens of Alaska. An increase in credit hours obviously contributes to the university's overall revenue base, which in turn helps fund programs, salary, fixed cost increases, and base investments necessary to reach the enrollment target.

Efforts to increase the number of credit hours enrolled should positively impact headcounts of full time, part time, non-credit, and vocational education students.

Additional performance measures in development in support of this performance metric include: Academic Program Units with a Formal Enrollment Management plan which supports this measure by quantifying support of additional tuition revenue generation; Student Satisfaction and Organizational Effectiveness of Advising and Career Development, also indirectly supporting additional tuition revenue generation.

For our purposes summer, fall, and spring closing data are used in the computation of statistics. These figures will include all credit courses, including audit, 500 level, developmental, distance education, self-support and correspondence courses.

E1: Strategy - Increase the number of student credit hours (SCH) attempted

Target #1: The UA target of 582,800 is the sum of each MAU's targets; UAA - 345,000, UAF - 181,500, UAS - 56,000

Measure #1: Student Credit Hours (SCH) attempted increased.

Analysis of results and challenges: • Strengthen coordinated enrollment management efforts

- Increase advising, counseling and teaching/planning effectiveness.
- Monitor student satisfaction and perception
- Ensure funding for continuation of the highly successful UA Scholars program
- Maximize utilization of existing facilities through expanded short courses, weekend, and summer offerings
- Distance Delivery and Instructional Programs Expansion - Phase 1 of 3 (\$1.0M) funding expansion in an array of specific programs with investments evaluated in terms of impact on student access, student enrollment and retention, state need, employment opportunity, and campus areas of distinction.
- Additional internal investment of university resources in programs with exceptionally high student demand, including community campus programs, education, aviation, languages, and allied health, primarily accommodated through tuition revenue. Weight will be placed on the expansion of State of Alaska high demand job program areas.

Key Department Challenges

In striving toward its goals and objectives as described in "The University of Alaska Strategic Plan 2009," UA will contribute substantially to Alaska's concerted effort to build a strong and stable economy and accordingly share in a truly golden 50th anniversary celebration of statehood. UA's focus and challenges continue to be:

Providing Leadership and Fostering Partnerships

- The university is taking a leadership role within the state to define and address the human resource, research and technology requirements to enable Alaska to take full advantage of economic opportunity. The university is doubling the

investment towards studying and presenting policy alternatives and resulting implications on the state's economy, environment and culture. Industry, state government, and the university must work in close partnership to create the policies and environment within Alaska for sustained economic success.

Preparing for Success

- The university is developing university research as an industry, strengthening Alaska as a transportation hub, strengthening Alaska's small business opportunities, and a host of other opportunities for Alaska require developing and refining responsive instructional and research programs, recruiting students, recruiting and retaining faculty and staff through competitive compensation and a positive working environment, and building the necessary information technology and facilities infrastructure. It will play a significant role in developing a gas pipeline and opening a ANWR. Over the last five years much progress has been made; capacity has been added, students are attending at record numbers, and faculty, staff and citizen have pride in their university. UA is more prepared to address new opportunities and fully understands the lead time in preparing for the future. It takes five years to graduate an engineer. On the fastest track, it takes four years from funding to final construction to build the facilities necessary for emerging programs. Anticipated program growth and emerging programs are requiring more modern and sophisticated space. In order to take advantage of the opportunities Alaska will see this decade, significant research and program investments and securing the remaining funding for the science facilities within the scope of UA's six-year capital plan is essential for UA to successfully prepare for the opportunities ahead.

Aligning University Programs to Meet State Needs

-UA is focused on programs for occupations with high workforce demand including teacher education, nursing, allied health, information technology and other technical career training. The university has demonstrated significant success working with industry consortia to create programs that are responsive to current worker shortages. UA in partnership with Alaska major health care providers will double the number of UA nursing graduates by the end of 2006. This is a model program for addressing Alaska workforce needs and has set the stage for preparing workers in other disciplines. Information technology, behavioral health, allied health, mining and welding are all areas where consortium and partnerships are key to successfully meeting workforce demand. The university is being efficient by prioritizing investments in programs meeting the highest demand. The most significant focus now is recruiting and retaining students in these programs, as well as broadening program offerings. Student enrollment is key to UA's success. In FY03 and FY04, UA met its 5% enrollment increase target and many activities are in-line to support another 3% course enrollment increase for FY05.

- Meeting Alaska's teacher demand is a very high priority for the university and the state. UA's program transition in teacher education is maturing with 4% enrollment increase from last fall. The solution for meeting the state's teacher demand does not rest solely with university programs. There are several exciting programs UA is involved with including the Department of Education and Early Development teacher mentoring program. These are vital pieces to meeting the teacher shortage because many other states are also experiencing teacher shortages and Alaska must compete to attract and keep teachers in state. State policy and incentives are a necessary part of this solution. Mature and lasting partnerships between the university, school districts and the Department of Education and Early Development must exist to fully implement solutions to meet the state's need for qualified teachers.

Expanding University Research

- Research nationally is a \$264 billion industry. Universities account for \$36 billion of the research nationally, and university Research & Development (R&D) is a growth industry. Since 1980 university R&D spending has increased at an average rate of 7.6 percent a year, compared to a 6.3 percent growth rate for the economy in total. Furthermore, university R & D has increased in every year while the overall economy has gone through two recessions during that period. Nationally, R&D is funded from industry, non-profits, state government and federal agencies. At UA for every one dollar of state funding dedicated to research, UA averages \$6 from external sources. In Alaska, UA conducts the majority of research accounting for 55% of R&D in the state. Industry in Alaska conducts 10% while nationally industry conducts 70%. UA's research enterprise accounts for over 2,300 jobs in the state, of those 1,200 are at UA and 1,100 are in the private sector. Research spending for transportation, contractual and equipment result in more that \$100 million in sales for private businesses in Alaska. UA will be seeking significant resources to expand its research enterprise. Viewing the state funding directed to research as seed money, then for every \$1 million invested, 149 jobs are created with \$4.8 million in payroll.

- Research expansion centered at UA provides excellent economic growth opportunity for Alaska. Research provides jobs which offer high wages, are year round and stable, are held by in-state residents, and are substantially funded through external sources. Research is environmentally clean, requires little government regulation, and has potential value added opportunities through private business creation. For more information on the benefits of research as an industry for Alaska, see "The Economics of University Research" by Scott Goldsmith and Pam Cravez from the Institute of Social and Economic Research.

- Over the past several years UA has been highly successful in competitive research. Most recent advances include National Institute of Health (NIH) and National Science Foundation (NSF) grants. In the last four years UA has secured \$45.3 million in competitive research funding from NIH. The EPSCoR program through NSF was begun with \$1million in state funding in FY01 and has successfully secured its second phase grant. These large grants from the NSF EPSCoR program and the NIH COBRE and BRIN programs continue to build the research infrastructure of UA by providing new facilities, new faculty members, and attracting outstanding new graduate students.

- UA's Vice President for Research and other state leaders have developed a state Research and Development Plan (per SJR44). The R&D plan goals include the means to expand and diversify the state's economy, strengthen the state research institutions, integrate the efforts of state and federal agencies, identify avenues of resource development, while at the same time protecting the health of Alaskans and their environment. Investments to strengthen UA research will be to develop technology transfer capacity and to strengthen research programs such as logistics and transportation, satellite data retrieval, health and biomedicine, mining and engineering, environmental and ocean observing systems, and public policy.

Demonstrating Responsible Stewardship of Public Resources

- The university demonstrates the highest level of accountability for funding provided by the state. UA has successfully implemented its performance based budgeting program. There are five primary performance measures in place with an additional five being defined this year. Each chancellor is held responsible for implementing performance based budgeting processes with the UA campuses while the president has established incentives for implementing performance management practices and rewards for meeting performance targets. UA continues to monitor efficiency measures relative to peer institutions such as staffing levels, instructional cost per student, and increases in non-general fund revenue. These peer comparisons help UA establish standards and build efficiencies throughout the system. In the last year UA has institutionalized its accountability and sustainability efforts to maximize administrative efficiencies. Current UA administrative efficiency priorities include implementing electronic document imaging, added HR and payroll automation, electronic faculty workload tracking, financial aid process automation, and procurement system advances.

Significant Changes in Results to be Delivered in FY2006

The FY06 proposed budget will strengthen existing programs by ensuring continued funding as well as directing funds necessary to the expansion of allied health programs, behavioral health programs and specific programs faced with significant enrollment increases. In FY04, UA developed a performance based budgeting approach which has been utilized in FY05 and has set the stage for articulating specific measurable performance expectations in FY06. UA is currently using 5 primary performance measures and five additional performance measures are being developed for use in FY06. These metrics provide an indication of UA's overall success and the state's commitment to higher education. This performance based budgeting approach will help ensure that UA's limited resources are directed to those priority programs that align *UA Strategic Plan 2009* goals and campus strategic and academic plans. In FY06 UA is targeting a 3% enrollment increase, 4% increase in the number of high demand program graduates, an increase from 65% to 66% in freshmen to sophomore student retention, a 7% increase in university generated revenue, and an 8% increase in externally funded research focused on areas of importance to Alaska. The enrollment increase will be the result of UA's continued success in attracting Alaska recent high school graduates (up 60% in six years and up 8% from last fall), and attracting non-traditional students in high demand workforce training areas, such as allied health, behavioral health, construction, information technology and teacher training.

Major Department Accomplishments in 2004

- Across the system course enrollment increased 2% this fall. This continues the growth in UA's student enrollment adding to the increases of 5% in '04 and 7% in '03. In FY04 UA student headcount was at an all time high with 33,900 students enrolled in the fall.
- The UA Scholars program continues to be a success with 426 new scholars attending UA for a total of 1,540 UA scholars enrolled. To date, 144 UA scholars have received baccalaureate degrees and a total 106 certificates and associate degrees have been awarded to UA scholars.
- UA's freshmen to sophomore retention is at an all time high with 72% of baccalaureate degree seeking freshmen returning and 65% of all first-time freshmen returning for their sophomore year.
- With the retirement of two long term UA leaders, Lee Gorsuch and Marshall Lind, new chancellors were selected to lead UAA and UAF. Elaine Maimon is the new UAA Chancellor. She was previously the Provost of Arizona State University West and Vice President of the multi-campus Arizona State University. Steve Jones is the UAF Chancellor coming from North Carolina, where he served as vice chancellor for extension and engagement at North Carolina State University.
- UAF Institute of Arctic Biology Professor F. Stuart "Terry" Chapin III was among 72 new U.S. members and 18 associates from foreign countries elected to the National Academy of Sciences during its annual meeting in early April. Chapin is the first Alaskan to become a member of this national leading scientific advisory body.
- In FY04 private giving to the University of Alaska increased by 35% from FY03 to a total of \$19.4 million. The number of donors increased by 49% to 5,084.
- UA hosted the Governor's Conference of Alaskans that convened on the UAF Campus. Addressing Alaska's fiscal solutions was the primary topic.
- Negotiated union contracts for UA's Faculty unions (ACCFT, UNAC) and trades and craft employees union (AHETC).
- Developed and transitioned UA staff to employee selected tiered health insurance program (UA Choice). The program will significantly control UA's health care cost increases.
- Continue to build UA Online and advance the capacity for students to access UA recruiting, admission, registration, and financial aid services via the Web. UA Online is also being used by faculty and staffs to access information such as pay records, reducing the cost of mailing payroll information.
- Through the compact agreement from BP and Conoco Phillips, UA has hired esteemed President's Professors in six disciplines. The faculty selected are national and global leaders in their field of study.
- Debbie Narang (PI) and Cora Neal (co PI) were awarded a three-year grant to increase the mathematical content knowledge of K-8 teachers in Alaska schools. Participants will take 600-level education courses in mathematics content and pedagogy during three-week summer institutes. Partners in the "Journeys in Mathematics Project" include the Anchorage School District, the Lake and Peninsula School District, the College of Arts and Sciences at UAA, the College of Education at UAA, and UAA's Alaska Native Student Engineering program.
- The Model United Nations of Alaska 2004 was held in February. The event included 275 registered students; 66 nation-states were represented. There were a total of 13 schools participating, including six Anchorage High Schools and six high schools from different areas of the state, as well as UAA.
- Lauren Bruce, associate professor of communications and chair of the Center for Advancing Faculty Excellence was the 2004 recipient of the \$15,000 Edith R. Bullock Award from the University of Alaska Foundation.
- Dr. Susan Ryan, Department of Special Education, Early Childhood Special Education Program, is the recipient of a competitive \$1.2 million grant from the U.S. Department of Education, Office of Special Education Programs, Division of Research to Practice grant: Early Intervention Low Incidence Training Program. She also was awarded a Research Fulbright at Trinity College in Dublin, Ireland, for the academic year 2004-2005. She is conducting research in the area of autism and fetal alcohol spectrum disorders.
- UAA's AFROTC Color Guard won 1st place in the recent Southern California Invitational Drill Meet in the senior color guard category. A total of nine universities were participating in that category, including the Air Force Academy. AFROTC held a commissioning ceremony in May for its seven graduating senior cadets, bringing the total number of cadets commissioned through UAA's AFROTC program to 53 in only four years.
- PWSCC is the recipient of a USDA Grant for Alaska and Hawaii Native Serving Institutions for \$171,000. The resulting program will include delivery of a fish processing and marketing training program in up to four coastal communities in Alaska during the next year. Plans are being made for Cordova, Kodiak and Dillingham at this time.
- The Elmer E. Rasmuson library on the UAF campus was rededicated at a special ceremony in September 2003. Contractors completed \$18 million in deferred maintenance and renovations over a two-year period. During the project each department was temporarily relocated while each floor was renovated. Every item on every floor, including all collections, furniture and staff, moved twice – once to level 5, and then back again after its original area was completed.
- The Tanana Valley Campus Center opened in August 2003 in the building that used to house the state courthouse. TVC moved a majority of its programs into the first two floors of the facility. The move allows TVC to provide a true

campus presence in downtown Fairbanks, and gives community members easy access to TVC's career training and higher education programs. A \$1.5 million grant from the Denali Commission allowed TVC to renovate part of the fourth floor of the facility for use by the TVC Allied Health program. Dental Assistant, Medical Assistant, and Healthcare Reimbursement all moved into the building during the summer.

- The Emil Usibelli Distinguished Teaching, Research and Service Awards for 2004 were awarded to Ed Husted, Tanana Valley Campus for teaching; Stephen Jewett, School of Fisheries and Ocean Sciences for research; and Kade Mendelowitz, College of Liberal Arts for service. Each receives a \$10,000 award.
- Jennifer Reynolds with the Global Undersea Research Unit of the School of Fisheries and Ocean Sciences led a team of geologists in the successful mapping of the first new undersea volcano ever discovered in the Aleutian Islands. The mapping effort, conducted with scientists from the National Marine Fisheries Service, will yield important insights into the geology of the Aleutian Islands, as well as provide clues to how volcanoes continue to alter the seafloor throughout the region.
- The College of Rural Alaska recently received \$1.3 million from the U.S. Department of Education's Alaska Native Education program for early childhood education programs in Alaska. Also, the Bristol Bay, Kuskokwim and Northwest Campuses received \$2.4 million in funding from the U.S. Department of Housing and Urban Development Office of University Partnership programs to help communities in their areas with educational and economic development.
- The UAF rifle team won its sixth consecutive NCAA championship in Murray, KY on March 13th & 14th. Sigrid Aas, a senior on the UAF ski team, won the gold medal in both the 5K and 15K individual women's races at the NCAA cross-country ski championships at Donner Summit, CA on March 11th & 13th.
- 1995 graduate Wendy Ehnert received the 2004 Presidential Award for Excellence in Mathematics and Science Teaching, which is administered by the National Science Foundation. Ehnert received the award during a ceremony in Washington, D.C. While in the nation's capitol, Ehnert testified before the U.S. House Subcommittee on science. She currently teaches at Lathrop High School in Fairbanks.
- UAF glaciologists garnered national and international attention following a published report in the Journal of Science. Keith Echelmeyer and co-researchers used a laser measuring device to reveal that many Alaska glaciers are melting dramatically.
- Children from 70 Alaska schools in the Global Learning and Observations to Benefit the Environment program benefit from learning about science and natural resources as they participate in actual research projects. The program incorporates Native ways of knowing into western science.
- Thomas Shirley, professor of fisheries, was selected as Chief Scientist for a research cruise of the R/V Atlantis that used the deep submersible Alvin to collect samples of unknown invertebrate species from atop underwater volcanoes (seamounts) in the Gulf of Alaska.
- The West Ridge Research Building (WRRB) is open and occupied. It includes state-of-the-art remote sensing facilities, the Arctic Region Supercomputing Center, and 10,000 square feet of molecular biology research laboratories.
- Civil and Environmental Engineering Professor John Ma was selected to receive a CAREER award from the National Science Foundation. He will receive \$438,000 over the next five years to fund research activities in bridge construction strategies at University of Alaska Fairbanks.
- Kodiak-based researchers are finding new ways of converting Alaska fish processing waste into value added products.
- In spring 2004 TVC partnered with Ilisagvik College in Barrow to offer specialized power generation courses in several villages in rural Alaska. The classes were taught by Mickey Allen, program coordinator and associate professor for the TVC diesel/heavy equipment program.
- The Ketchikan Gateway Borough awarded UAS-K a grant to implement a Geographical Information Systems training program through the Ketchikan Gateway Borough Title III National Forest receipts. Software training was provided and the lab is continuing to provide additional opportunities for community mapping and access to training. The UAS-K Alumni Association held a Sea Social and Silent Auction in April and generated sufficient funds to endow a Workforce Development scholarship for Ketchikan students.
- USDA has awarded the Sitka Campus a second grant to expand an existing 12-credit Community Wellness Advocate (CWA) training program currently offered in Southeast Alaska as a collaborative effort between UAS Sitka and the Native-run Southeast Alaska Regional Health Consortium (SEARHC). The primary goal is the development and distance delivery of a 30-credit statewide program focusing on nutrition and healthy lifestyle choices as the basis for disease prevention and health promotion for women, infants, and children as well as other rural community residents.
- PITAS Program - USDOE Grant funded 35 Native students in 2004-2005 planning to become teachers with full UAS scholarships including tuition, books and supplies, housing, and board.
- UAS participated in the statewide Nursing Education Task Force in 2002 and is collaborating with the effort to double the number of nursing graduates over the next several years. In January 2004 the UAA School of Nursing began to

deliver the associate degree in nursing in partnership with the UAS Juneau and Ketchikan campuses. In 2003 the School of Nursing partnered with the UAS Ketchikan campus to deliver the licensed practical nurse program and had 10 graduates in the fall of 2003.

- In FY04 an AAS in Health Sciences and a Certificate in Pre-nursing Qualifications were established in order to provide a program of study for student interested in preparing for careers in health.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

AS37.07.050(a)(13)

The University of Alaska is hereby established as the state University...and shall be governed by a board of regents...The board shall, in accordance with law, formulate policy and appoint the president of the University.
Alaska Constitution, Article 7, Sections 2-3

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Department Budget Summary by RDU

All dollars shown in thousands

	FY2004 Actuals				FY2005 Management Plan				FY2006 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
University of Alaska	2.1	0.0	0.0	2.1	67.2	0.0	2,739.2	2,806.4	66.0	9,656.8	5,737.9	15,460.7
Systemwide												
Statewide	15,221.4	1,472.0	20,554.0	37,247.4	18,442.9	2,558.0	30,224.5	51,225.4	18,442.9	2,558.0	30,178.2	51,179.1
Programs & Services												
Univ of Alaska	76,258.3	22,543.9	86,535.8	185,338.0	81,457.4	24,435.1	112,779.7	218,672.2	81,392.4	24,435.1	112,779.7	218,607.2
Anchorage												
Univ of Alaska	102,831.4	83,807.7	120,485.0	307,124.1	108,625.0	91,368.9	149,185.6	349,179.5	108,625.0	91,368.9	149,185.6	349,179.5
Fairbanks												
Univ of Alaska	18,403.9	5,230.8	13,518.8	37,153.5	19,740.7	6,000.0	18,297.4	44,038.1	19,740.7	6,000.0	18,297.4	44,038.1
Southeast												
Totals	212,717.1	113,054.4	241,093.6	566,865.1	228,333.2	124,362.0	313,226.4	665,921.6	228,267.0	134,018.8	316,178.8	678,464.6

Funding Source Summary

All dollars in thousands

Funding Sources	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
1002 Federal Receipts	113,054.4	124,362.0	134,018.8
1003 General Fund Match	2,777.3	2,777.3	2,777.3
1004 General Fund Receipts	209,739.0	225,355.1	225,288.9
1007 Inter-Agency Receipts	9,357.6	18,800.0	18,800.0
1037 General Fund / Mental Health	200.8	200.8	200.8
1048 University Restricted Receipts	180,887.6	234,290.0	237,790.0
1061 Capital Improvement Project Receipts	2,236.4	4,762.2	4,762.2
1092 Mental Health Trust Authority Authorized Receipts	50.0	50.0	180.0
1151 Technical Vocational Education Program Account	2,868.9	3,500.2	2,822.6
1174 UA Intra-Agency Transfers	45,693.1	51,824.0	51,824.0
Totals	566,865.1	665,921.6	678,464.6

Position Summary

Funding Sources	FY2005 Management Plan	FY2006 Governor
Permanent Full Time	3,869	3,869
Permanent Part Time	176	176
Non Permanent	0	0
Totals	4,045	4,045

FY2006 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Life Safety and Code Compliance	0	0	11,066,000	11,066,000
Instructional Science Laboratory Equipment	569,000	0	831,000	1,400,000
Administrative Information Technology Equipment Replacement and Upgrades	0	0	3,382,900	3,382,900
Strategic Land and Property Acquisitions	0	0	10,940,000	10,940,000
Systemwide Minor Renewal and Renovation	0	0	17,611,500	17,611,500
Small Business Development	832,000	0	0	832,000
Integrated Science Complex	0	0	21,600,000	21,600,000
Center for Innovative Learning - Alaska Native Science and Engineering Program	0	0	4,955,000	4,955,000
University of Alaska Anchorage Student Housing - Phase 2	150,000	0	1,000,000	1,150,000
Biological Research and Diagnostic Facility	0	0	4,760,000	4,760,000
West Ridge Research Logistical Support Facility	0	0	7,000,000	7,000,000
Biological and Computational Sciences Facility - Computational Component	0	0	600,000	600,000
Rasmuson Reading Room	0	0	5,000,000	5,000,000
Alaska Statehood Gallery	0	0	1,400,000	1,400,000
Department Total	1,551,000	0	90,146,400	91,697,400

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Summary of Department Budget Changes by RDU

From FY2005 Management Plan to FY2006 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	228,333.2	124,362.0	313,226.4	665,921.6
Adjustments which will continue current level of service:				
-University of Alaska Systemwide	-2.2	0.0	-1,049.3	-1,051.5
-Statewide Programs & Services	0.0	0.0	-46.3	-46.3
-Univ of Alaska Anchorage	-65.0	0.0	0.0	-65.0
Proposed budget increases:				
-University of Alaska Systemwide	1.0	9,656.8	4,048.0	13,705.8
FY2006 Governor	228,267.0	134,018.8	316,178.8	678,464.6